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LS 5-2534a

OGC REVIEW COMPLETED

2 December 1955

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : Report on Status of Accounts of Former Agency Personnel for the Month Ending 31 October 1955

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1. The report from the Finance Division to you, subject as above, prepared in accordance with your request, is attached. We have asked [] to refer it to us to permit us to add a few comments by way of a narrative statement of the size of the job facing the Agency in connection with the settlement of accounts of former Agency personnel and the progress which has been made. Additional information herein has been furnished, in part, by Finance and we have discussed this memorandum with them.

2. As I believe you know, representatives of the Office of the Comptroller, the Office of Security and this Office held conversations last summer, as a result of which an informal Committee composed of representatives of the three Offices and the Audit Division was set up to handle the problem of settling accounts of former personnel. The Committee began its work in August. Initially it met every week and more recently has been meeting about every two weeks. At its most recent meeting on 21 November, the Committee considered the 97th case to come before it. In addition, a number of cases have been on the Committee's agenda more than once.

3. When the Committee began its work in August there were 226 cases in the 148.0 account (Advances and Other Receivables Due from Former Agency Personnel) awaiting settlement. Twenty-five (25) additional cases have been transferred to the 148.0 account since that date from the 144.1 and 144.2 accounts (Advances to Agency Personnel), the 150.1 and 150.2 accounts (Due from Agency Personnel), and the 300.1 and 300.2 accounts (Accrued Compensation). About 440 cases remain in the 150. and 300. accounts (the 144. account is maintained on a current basis) to be analyzed and, when appropriate, transferred to the 148.0 account. On the basis of experience to date, the Finance Division estimates that less than 10% of these will become 148.0 cases. The Finance Division has several Task Forces now engaged in analyzing these accounts and estimates that analysis of several will be completed within three weeks.

4. This backlog of 251 cases is closer to being cleared up than is apparent from the report, in this sense. As the Schedules of the Finance Division report indicate, 39 claims

have been collected, 7 have been referred to the General Accounting Office for collection, and 12 have reached the stage where it is thought that nothing further is to be gained by negotiations with the individual and the cases therefore are being processed for write-off or referral to the General Accounting Office--a total of 58. In addition, the Committee has followed the practice of sending each former employee whose account is under consideration, a total of 3 letters after which, unless these letters have brought satisfactory response or have led to negotiations by way of correspondence, the case is recommended for write-off or referral to the General Accounting Office. Of the 193 cases remaining from the 251, at least 1 letter has been written to 144 of the individuals involved since August and a 30 day follow up control has been established. In other words, the pipeline of communicating and negotiating with a substantial majority of these 193 individuals, with the attendant coordination and legwork this has required of Finance, has been filled. The job remaining is to continue to keep the present pipeline full as to the 144 individuals by pressing them until they settle or until we must conclude that these cases are not going to be settled and must be written off or referred to the General Accounting Office; to fill the pipeline as to the remaining 49 (i.e., 193 minus 144) cases by corresponding with those individuals; and to analyze and to place in the 148.0 account those cases now in other accounts which should be transferred to the former.

5. The Comptroller's report and schedules are based upon the effort from August through 31 October, not merely the month of October.

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Assistant General Counsel

Attachment

cc: Finance Division
Audit Division
Office of Security

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